



Financial Education and Matched Savings for Student Retention Webinar

January 21, 2014, 1:00 pm CT

Coordinator: Welcome and thank you for standing by. All participants have been placed on a listen-only mode until the question-and-answer session. To ask a question, please press star 1 on your touch-tone phone. Today's call is being recorded. If you have any objections, please disconnect at this time. I would now like to turn the conference over to Emily Appel-Newby. You may begin.

Emily Appel-Newby: Hi, everyone. Thank you so much for joining today's Webinar about financial education and matched savings for student retention co-hosted by CSRDE and the Assets For Independence Resource Center. I'm going to turn it over as we start here now to Sandra Whalen to say a few words of introduction and welcome. Sandra?

Sandra Whalen: Yes, hi, thank you and we really do appreciate those of you who have been able to join us today despite weather possibly problems where you are and I'm just really thankful for this opportunity to help promote this Webinar. We did this last year and are just thrilled to have this connection again this year and are really excited about the number of you who registered.

And I think that you're going to be pleased with the information that you receive to help students with access to college and Emily will be a great presenter and have some great information for you and that's about it for

me here in Oklahoma so Emily I'll turn it back over to you and thank you so much for providing this and for all of you who were able to attend.

And also I'm sure Emily will say but it is being recorded so if there were some weather issues that people couldn't get in today or weren't able to access it, then they will be able to watch this later so I'll turn it back over to you Emily. Thank you.

Emily Appel-Newby: Thanks so much. Yes, today's meeting is - we're going to record this Webinar - as well as the Q&A session and we'll go ahead and post this on our Website which is idaresources.org and I'll show a link at the end of the presentation so you can listen to the recording or share it with your colleagues or download the slides.

And of course I'll send out an e-mail to all the registrants with the link when that has been uploaded so a little bit of information about myself and about the AFI Resource Center so AFI stands for Assets For Independence.

And so AFI is a federal grant program that provides funding to community-based organizations to provide education to low-income populations including students to help them build their financial skills and invest in life-changing assets including higher education or job training through a university in order to help build their financial security.

So today's presentation as we mentioned in the introduction in the description we are going to hear a little bit about the research that backs-up - that can prove - the importance of encouraging saver young students to start saving for their college career as early as possible in order to get them in the mindset and on the path to college.

And the researcher from the University of Kansas is going to share with us all the different pathways by which the savings account is important for providing access or the following-through on the intention to enroll and complete college. Unfortunately she's not able to join us until the second half of the call.

So we're going to do things a little bit out of order in that I'm going to talk first about putting that research - I called it deception - matched savings in action so unfortunately you won't hear too much first about what the research is that's getting put in action but the bottom line is but she will be able to share that research with us during the second half of the call.

But the bottom line is it talks about the importance of saving in terms of creating the mindset that someone is going to enroll and complete college. When she's looking at savings, she's often looking at it from the perspective of it for younger students so in elementary, middle school and high school.

And when I am looking at how we can actually help a student create a savings account for college, I'm looking at it from a slightly older point of - from the point of view - of an older student so maybe somebody late in their high school career or somebody already enrolled in college or maybe even someone who has completed some training in college and actually needs to - is going to return - to college afterwards.

So that is just some context about the two different presentations that you'll hear today and so I'm going to talk first about this federal grant program that supports savings for higher education for high school students and currently

enrolled college students I think may be of interest to your programs and universities.

So as I mentioned, today's the Assets For Independence program provides funding to community-based organizations including colleges and universities to help them assist low-income individuals in their community become more self-sufficient and plan for the future and invest in some important assets including college education or job training.

And the mechanism by which they have - they build these skills - of planning for the future and by which they help them invest in these assets is a financial product called an individual development account which we refer to as IDA so in case some of you are not familiar with the product of an IDA, I'm going to go through that and explain it.

The IDA - the concept of the individual development account - was created in the 1990s as a way to build for doing a couple of things, to help build the habit of savings for low-income people who otherwise might not have prioritized saving for future goals within the tightly-strained budgets that they have, to incentivize attending financial education classes with the belief that becoming financially literate is important to overcoming poverty.

And then finally to helping them invest in assets and the way that an IDA helps them invest in assets is because it offers a savings component, a matching component on your savings similar to how a lot of 401(k)s work where the participant puts the first dollar in and then they receive a match on every dollar that they contribute.

So the example that I like to work with is Iris and so she is an education saver and she's enrolled in college and so she's using her IDA to help pay for college. The program that she found in her community because these are community-based programs that are funded by the federal government offers a match rate of \$4 for every \$1 she saved in her IDA account.

That's quite generous so in the graphic you can see she's going to save \$1000 and she's going to receive \$4000 of matching so Iris when she enrolled in the program she was assigned to work with a case manager at the organization who helped her look at her budget.

And they figured out that she could - in order to reach that savings goal of \$1000 - she could probably put away about \$42 a month over the course of two years and that would get her to the place where she agreed to that \$1000 savings goal.

At the same time while Iris is saving over those two years, she's going to take courses in financial education from a local non-profit and she's going to work with financial aid counselors and academic advisors at her college.

These two training components are essential pieces of the individual development account. The first part is the financial education to make sure that the person has the ability to manage their budget and pay for existing expenses while also saving for the future and to give them ideas about how to do that.

And then the second part where she's working with financial aid counselors is what we call asset-specific education and so that depending on the assets

that the individual wants to invest in is what kind of training they're going to take there.

So for example someone who's saving for a home purchase is going to take home ownership education but because Iris is saving for college, she's going to work on with on financial aid and academic, you know, student success counselors.

So she saved her \$1000, she receives \$4000 in matching funds and in the end she has \$5000 for education so that's a great deal you can see for Iris is she has that much more funding that's available to her.

Now you can see that the arrow is coming into the boxes. You can see that of that \$4000 matching, it actually comes from two different sources. To Iris it looks like it just came from the IDA program that she joined but the IDA program managers know that it actually - half of it came from the federal AFI Assets For Independence program - and that's what the green arrow is.

And then the other half of it came from non-federal sources and that's because AFI grantees have to raise an equal amount of non-federal funding to support their Assets For Independence program and so when someone receives a payout, it's going to come half from their federal funding and half from non-federal funding.

What we're seeing from institutions of higher education is that they have a really easy source for this non-federal funding in terms of the scholarship programs that they already offer to low-income students, you know, off low-income, first-generation minority students who are able to tap into this IDA program.

They're able to use it as the non-federal funding in order to draw down the federal funding and so in that way they're able to double the amount of scholarships that they're able to offer to individuals so I can get more into the nitty-gritty of that either later on today's call or, you know, there's plenty of information about that if you're interested in setting-up an IDA program.

But that's just a preview of kind of how that could work so the ways that people like Iris could use the IDA funds, the savings, really because we're offering this match, we really want to make sure that the money is being used specifically for her educational career.

So it's tied specifically it has to be used for tuition and fees, books, supplied and equipment required to attend or for courses at an eligible educational institution so that's how they make sure that it's used for the intended purposes.

The way that they make sure that it's used is because the payout of the match funds in the savings have to be paid directly to the eligible educational institution and that's either someone who's accredited by the Department of Ed or verified under the Perkins Act.

So that's another reason why this is going to be setting-up a program like this would be a benefit to your college is because you would just know by definition that all the funds - the student savings as well as the matching funds - would be spent at your educational institution for one of those variety of purposes.

It's important to note that for this IDA program it's not restricted to students who are completing - who are targeting - degree programs so either associates or bachelors programs, it's very flexible in that it can be used also for students who are taking - are working towards - a certificate or even standalone courses or maybe students who are doing developmental education which is important because I know there's not a lot of financial aid offerings for those students.

It's important to know that the IDA has to be used for current or, you know, future enrolled students. It cannot be used to pay back previous loans and then specifically with education IDAs, this often involves multiple withdrawals over time up to the maximum set by the AFI project.

So in the case of Iris, that \$5000, I mean, chances are if someone is attending school and they have done a good job of collecting different sources of financial aid, they're not looking to the IDA to pay for their entire college career and they probably shouldn't be because, you know, \$5000 is probably about what the average amount is that someone is going to get out of this IDA.

So they have to be strategic about spreading it out over the course of a couple of different semesters but that can work, you know, a student can be paying money into the IDA and earning the matching funds but maybe they're only spending \$500 per semester.

They're using it for books because they have their tuition covered but not their books so they're going to use the funds at a rate of about \$500 per semester and so that's, you know, and that's how they're going to pull down most of the money.

So that's just an idea about how this is a flexible source of funding that can help students meet their goals of completing their education because it's for, you know, I think this is especially important for students who maybe did not plan ahead as well in terms of what their different financial aid would be after their first year of college.

I ran an IDA project here in Washington, D.C. where I'm located and when I was working with high school students, I saw a lot of them joined the IDA program because their school offered it but not because they really were motivated to do it because they thought well, you know, I'm getting so much financial aid for college next year, how could I need any more?

And it's true, they were really set for their first year because they'd done a great job of applying for everything that they needed but after their first year was over, they had not - they found out that they - when they realized that they had not signed-up for subsequent years of financial aid, that was when they started to draw-down on the IDA because they had not planned for the continuity of the funding.

And so they were able to get back on top of it in future semesters so what I'm saying is that the IDA can be an important source of student financial aid. It can reduce the student loan size or their work study burden which is important for a student's success obviously if they're having to balance work and school at the same time, if they can do less of it that's better.

And then the loan size, we all know that the amount of the loans that students are graduating with at this point is too high and that those loan default rates can be having high loans or unmanageable loans can be

detrimental to the school in terms of their default rate which can threaten their eligibility to receive Pell funding going forward.

I mean, it's also obviously it's a negative thing for the student to graduate with too much debt because that's going to hinder their career choices and also their ability to move forward with their economic stability as individuals and families.

The IDAs can help with the estimated family contribution because it can be like any third-party financial aid, it's applied after the other financial aid has been calculated, after the financial aid package has been determined.

For adult students, it represents an alternative to scholarships because they may not have access to as many scholarships or to students who cannot access federal financial aid. An example of this is some students who may have restrictions on their ability to access financial aid because of criminal backgrounds or because of their immigration status.

The IDA is more flexible in terms of students who are immigrants or whose family are immigrants. There's no requirement for citizenship in the program itself. Rather you have to have at least a Social Security or an ITIN number - individual taxpayer identification number - in order for you to sign-up at a bank to open the IDA account.

So the grantee would work in partnership with the financial institution and so they have to have the financial institution in order to open that account, you have to have an SSN or an ITIN and then finally this IDA will help out students with meeting their financial obligations.

If they're from groups who are traditionally reluctant to take-out loans and so may not see college as possible because of that, this is a way to help them put together the pieces of the financial puzzle about how they can afford college.

And so then of course if the IDAs have this many benefits to students, they're also going to have benefits to the college via the students so it's going to help schools - having an IDA program - helps schools meet their mission of access by promoting access to education for lower-income students which largely includes minority and first-generation students.

It promotes positive recruitment and retention results. You can use the IDA tool as a way to - IDA as an outreach tool - to attract students, get them planning for college if you do any engagement into the community.

You can help make it financially possible for students to attend school and then this planning process comes back into it, you know, either for students who start planning for college when they're in high school or once they are the college-appropriate age.

If they've been planning and saving for college, that means they're definitely in the college-going mindset and that they've been planning for at least the expenses side of college and so they have a handle on that.

And the training especially the financial education training provides just helpful life skills that contribute to student enrollment retention success. You know, obviously a student who's better able to manage balancing their finances is going to be better able to manage their finances during work as well.

The financial education can also impact future employability via the credit score which I know is an important indicator for a lot of colleges is what percentage of your graduates have full-time employment. Since more employers are looking at credit score these days, if your graduates have better credit that would remove one barrier to them for getting employment.

And then finally like I mentioned, they're better able to manage their load burden when they come out of college one, because it's smaller and two, because they're more - they have better financial management skills - should improve the default rate that the colleges experience in terms of their loans.

Just a few more details about how IDAs work for students, the logistics side of things. Federally-supported IDAs and that means ones that are funded by the AFI program are not counted as an asset for federal aid programs so they will not impact eligibility.

Participants can withdraw from the IDA savings program at any time taking their personal savings with them; however, they would forfeit the matching funds if they decide to withdraw from the program. The only interest - the only part of this that's taxable - is the interest earned on the participant's personal savings, not, you know, the match is not taxable to them.

And then finally I would point out that if you are going to go forward with an IDA, you'd be encouraged to try to rework your financial aid guidelines to exclude IDA savings for assistance that is determined by the school so as not to penalize any students who have been saving for college.

And this is a really good way to quantify it, to say we're going to specifically exclude savings for college that are placed in an IDA account to make it very clear which savings are excluded so if this seems like a good approach, something that could work for you, actually let me skip forward to profiling.

One of our current grantees that is a university is in Arizona and there's actually three different grantees who are running these IDA programs for their students and it's all three of the public state universities in Arizona so the University of Arizona, Arizona State University and Northern Arizona University.

And so each of these universities they each separately applied for AFI grants in 2012 and then applied again in 2013 to continue to grow their programs. They are providing the non-federal funding so the mechanism that I talked about before, the matching fund and the reason why the, you know, their motivation to start these IDA programs is captured in this quote.

It is estimated for each federal dollar invested in IDAs, \$5 goes to the national economy in the forms of new businesses, additional earnings, new and rehabilitated homes, reduced welfare expenditures and in the case of Arizona earn-to-learn, human capital associated with greater educational attainment.

So you can click on that link to see their Website for just a few more details about the way their program is offered. Like I mentioned those specific required pieces of training, they do four hours for each student of personal finance training, one-on-one financial coaching and college readiness training in addition to the ongoing support that they received while they're saving.

Participants receive an 8-to-1 match on their savings so that's as high of a match rate as you're allowed to set per AFI guidelines so that means students receive \$4000 on \$500 of savings so they save \$500 and they are receiving \$4000.

And then what's special about these projects is that the universities are layering multiple AFI grants so they're applying for them each and every year so they applied in 2012, that was their first year, then they applied in 2013 and they're going to apply again now in 2014.

The reason why they're doing this is because a particular person can only enroll in each IDA project one time but they want students to be able to access a new IDA, you know, access this IDA for every single year that they're in college so up to their four or five years in college, they're applying for multiple AFI grants so that students can keep coming back for more aid.

So this is an amazing setup, it's very ambitious so that means students are able to receive, you know, they're able to put, you know, \$4000 to \$500 towards closing that last dollar expense for their education needs every single year.

Let's see, so there are standards in terms of eligibility for joining an AFI project from the participant point of view and I can go over those in a minute but then also each university has their own eligibility requirements that they have placed above that and as grantees, they're allowed to do that.

They're allowed to say if you're going to join the program, you know, we want our program to be targeted at X, Y or Z kind of savers so, you know, for one thing, you know, obviously the University of Arizona's program is

targeted just for students who attend the University of Arizona but they may have all places other restrictions on it such as you have to have a minimum GPA or maybe you have to be a first-generation college student.

I'm not sure what those restrictions may be but that's just an example of how you can target your projects to be as targeted as you need it to. Maybe you just want to put together a project for those students who are enrolled through one of your TRIO programs for example or maybe just with students who are working in stem disciplines or something like that.

And so to tap into that there's a - I'm sorry, this graphic is cut off - but this is some information from the first year outcomes that we saw from the Arizona Earn to Learn program or not outcomes, these are demographics of the students and you can see that 70% of the students are first-generation college students and almost 70% - 62% - are Hispanic which is not surprising considering it's Arizona.

But just in terms of what we know about the problems with enrollment and retention and graduation for first-generation students and minority students, this goes to show how the Arizona programs - the Arizona universities - have been able to target their program specifically to the students who they want to be able to help the most and they want to be able to see be successful.

And I'm sorry I don't have any success rates to share with you at this point but obviously the program is just a little bit over a year old. What we do know is that 90% of the students who enrolled and completed - who used their IDA the first time around, the first year - re-upped for a second year of funding by joining the program again the following year.

So that's a good sign that students are seeing the value of the IDA and that it is being helpful to helping them meet the goals. It also indicates that 90% of the students who joined the IDA the first time around have come back to school and so there's that degree of year-to-year retention because obviously they've only re-enrolled if they're going to stay in school.

So those are both very good signs about how the program is working and so then just a little bit of outcomes kind of dated as of August 2013, 73 Arizona Earn to Learn savers had earned their first of two anticipated scholarship disbursements of \$2000 so they've received the first payout for probably the fall semester and the goals of the program - the goals of the way to grow the program - they want to replicate at other institutions.

They want to integrate a peer-to-peer mentoring component. They want to expand - they have an internship program - so that students can learn some on-the-job training and build their resumes at the same time as they are managing their coursework and so they want to expand that program.

And then of course they want to do a more in-depth evaluation and so that'll be great for us to have that information for us as well so let me quickly touch on the eligibility standards for AFI IDAs and then I'm going to turn it over to Melinda Lewis from the University of Kansas.

So in terms of being eligible for an AFI project, there are two ways of looking at participant eligibility. Either way you look at it is fine in terms of the person would be eligible so first of all if they're eligible for TANF in your state based on state guidelines of eligibility for the Temporary Assistance for Needy Families program, then they would be eligible for an AFI IDA.

And then the second test is the combined income and asset test so the first is we look at the annual household income and it should be less than twice the poverty level or eligible for the earned income tax credit in that year.

And the earned income tax credit, those guidelines are federal guidelines that are set by the IRS and in addition their net worth has to be less than \$10,000 excluding the value of a residence and one motor vehicle per household.

As I mentioned before, of course the individual grantee can set additional eligibility expectations above these but these are the bare minimum. Obviously this program is targeted to low-income populations because it has the goal of helping them increase their net worth and build the habit of savings and complete financial education.

So the way this eligibility piece works is that each individual grantee is responsible for doing the outreach so recruiting people who might be interested in joining their IDA program and then screening them for eligibility and quite simply the easiest way to do this is by asking for a copy of their past year's tax return.

That allows you to see the size of their household and their demonstrated household income and it gives you a clue into their assets so with that, I'm going to take a break so that I can get a drink of water which will be wonderful and hand things over to Melinda Lewis from the University of Kansas to talk about the research that I introduced earlier in the presentation about the pathways by which savings for college help influence outcomes in terms of college enrollments and retention and completion. Melinda, are you there?

Melinda Lewis: I'm here, can you hear me?

Emily Appel-Newby: I can, yes.

Melinda Lewis: Okay, awesome. She said that she was going to put me in listen-only at first so I wanted to make sure before I started talking that people could hear.
Good afternoon and thank you so much for having us be a part of this.

I'm sorry I missed the first part of the conversation but certainly exciting to hear about the stuff that's happening in Arizona and the different way that institutions are using AFI funds to create opportunities through the higher education structure to facilitate asset building.

I'm going to go super briefly over some of the, you know, really evolving research base and evidence base about the educational outcome effects of asset accumulation and we look at those effects and really on four kind of different levels.

So looking at long-term academic preparation which of course is - you know, many of you on the call are very familiar - is incredibly important in influencing persistence to a degree so the way that we like to think about this is that some of the seeds of college persistence and higher educational attainment are really sown long before admission.

And when we think about the different ways that we structure our financial aid offerings, it's really fairly uniquely assets that are working in that precollege period to help students prepare and I'll talk a little bit more about some of that.

But then looking obviously at college access and while there are certainly many financial aid offerings that are very significant for influencing access to college only we'd never allege that assets are a loan and that fear certainly, there is some reason to believe from the evidence that assets may improve students' outcomes for access to college particularly when we're talking about these low-income and otherwise disadvantaged students.

Then looking at completion, that's where the persistence piece comes in and there's really particularly then to distinguish between student loans particularly kind of exclusive dependence on high-dollar student loans and asset-based ways of paying for college in terms of looking at their differential effects on persistence.

And then we will get post-college as well where we're not so much then thinking about educational outcomes although there's certainly reason to think in this economy particularly about how students are positioned for post-graduate studies but also looking at measures of financial stability.

And really student well-being particularly important given that as educators we are interested not only of course in helping students move through our own degree program but really in the values that the attainment of education at our institutions can create with students, not just economic value but really in terms of positioning them for life success as well.

So if you look at this first table that we have we look at the evidence assets in education, it really, you know, obviously this is still an ongoing area of research, the first thing that any researcher says, right, and we're still analyzing information and still examining this.

But really this is where we see that assets are fairly uniquely capable of impacting some of our longer-term challenges regarding persistence including academic preparation and this somewhat difficult to capture (a limit) about how students are prepared to overcome the setbacks that inevitably occur in their past to a degree particularly for low-income students who are more likely to face some financial disruptions or financial setbacks.

And here the research suggests that the experience of accumulating assets and managing one's own finances through different types of asset-building opportunities including those that may be facilitated with Assets For Independence (act) funds but those types of financial capabilities then equip students to withstand some of those challenges through school.

And you certainly hear nothing that we say is meant to deny the importance of student loans as a vehicle for facilitating access to higher education but we're really just prompting all of us to question (somewhat) whether our current financial aid model is really not surmising our educational outcomes including persistence, the particular focus here today.

So then what does the evidenced actually look like and what have we learned about the power of assets to influence educational trajectories so then we look at this from different levels so first let's talk about access and here one of the most exciting pieces to this is this third slide here.

It really came about in response to a question that my boss Dr. Willie Elliott who does most of our research as a principal investigator at AADI was asked about the gear-up program and efforts to incorporate savings into that structure.

And saying, you know, okay, that's great but if a student can only expect to save maybe, you know, \$1600 and we see that the median student debt is, you know, \$26,000 or so and climbing, what can we really expect to get out of a couple thousand dollars of college savings?

So then he went back and looked at where is there really a dosage or a threshold at which some of those asset effects begin to kick-in and we were all fairly stunned by what he found which is captured here.

So not only do you see that 72% of students with school savings of \$500 or more so this is a dedicated school savings and here we're looking at just low or moderate-income students so we're somewhat controlling for income variability there.

So 72% enroll in college compared to only 45% of students with no accounts even compared to only 49% of students with savings but savings that aren't specifically designated for college and I'll say more in just a second about why that matters.

So not only do you see a significant jump when students are able to save relatively small amounts of money but you see here that 71% of students with dedicated school savings of even less than a dollar enrolled in college compared to only 45% of low or moderate-income students savings.

What in the world explains that? Why is just opening an account for school with barely any money in it almost as good in terms of driving access to enrollment as savings \$750, \$1000, \$1500?

And the reason has to do with this qualifier about savings being dedicated to school that we know that one of the primary ways that assets matter for educational outcomes is not in their sheer power to purchase education but in how they shaped students, parents and even educators' expectations of this particular student's educational future.

Opening an account turns college into an important goal, not something that's a part of an impossible and very distant future but something that is a part of where I am headed. A lot of Dr. Elliott's research has looked at the development of a college-bound identity, this idea that people like me go to college.

We save money in order to do it and that seems to matter even much more than how much money I've actually saved in terms again of not just helping me actually enroll but increasing the likelihood that I take steps that position me to go to college, influencing things like reading and math scores, you know, college preparatory actions and behaviors as summarized somewhat in that first table that you had.

When we get to the effects of assets on persistence as you would expect, where all persistence rates are somewhat lower for these students, we tend to see the greater challenges in educational attainment than in initial access, again not a surprise and a particular reason why you all are interested in these different tools to aid in persistence.

But here too we see that assets really matter, particularly that a student with at least \$500 saved for school is more than six times more likely to graduate from college than a student without a savings account.

Separate research that Dr. Elliott has done has looked at students who are on course to be able to attend and graduate from college, trying to determine even prior to actual college graduation how well students are doing and here we see again a gap of 33% in students' likelihood to be on course to graduation depending on whether or not they have savings.

The next chart is an infographic that we pulled together that really kind of explains this idea of institutional facilitation or the development of those expectations that I talked about help to kind of, you know, pull back the curtain a bit from this seemingly kind of a mythical idea that just a few dollars in a dedicated account that is reserved for going to college could actually have an impact on whether or not a student goes to college.

But one of the things I think it's really important to stress is that while in our kind of policy ideal we would see these accounts start at first. We would, you know, begin to sow these seeds about future higher education with students as early as possible as well as giving them then the longest timeline over which their assets could grow.

That doesn't mean that asset accumulation has to start at birth in order for savings to be significant in helping to determine a student's educational future. As the next chart talks or the next slide talks about a little bit, yes, earlier is better and leveraging the power of time is always a good idea.

But our research does reveal that asset-holding may be significantly related to educational outcomes at nearly any level particularly for low-income students, there certainly is a point at which student and family incomes are high enough that assets don't seem to matter quite as much particularly small dollar savings accounts have less power for higher-income students in

terms of charting their educational futures than they do for lower-income students.

Which, you know, is borne out in the research but also makes a lot of intuitive sense. It's for these students at the margins of educational access and subsequent attainment for whom relatively small accounts can really carve-out a different future in terms of changing how they think about college.

So that means then that low-income students precisely those who are eligible for participation in programs like the Assets For Independence Act are more sensitive to asset effects and therefore potentially able to benefit with participation starting really at any point and occurring at nearly any dosage level.

I mean, just opening an account for students and saying this is your dedicated college savings account seems to matter. This next slide really just gives you in, you know, on one page the small dollar account research that Dr. Elliott has done that says here we're not talking about huge sums of money but it really can make a significant difference in students' educational outcomes.

And I think this is particularly important as we start to think about policy and programming that can takes these kinds of opportunities to scale and it's clearly beyond the financial capacity of most institutions to think about helping their students to save enough money to finance all of their educations out of their own asset stores particularly with the rising cost of education at most institutions around the country.

But that's not necessarily where we need to set the bar, instead thinking about how can we build opportunities to participate in asset accumulation that can change expectations, chart new ways of thinking and open new doors of opportunity.

So on this kind of final substantive slide there, thinking about where and how these findings may intersect with what you've heard about the Assets For Independence Act and kind of what the application may be.

You know, you're clearly talking about a shorter trajectory for savings when you're talking about an AFI program than you would be if you're talking about a, you know, children's savings program as seen in some nations throughout the world where there are initial deposits made at birth.

Or even in some of these state savings programs that are linked with state-sponsored 529 college savings programs where you may have families opening accounts very young but that doesn't mean that there aren't a lot of points of intersection particularly when we think about the real imperative, just take advantage of any opportunities to help students build assets.

So some of the potential opportunities might include thinking about how you partner among educational institutions, how AFI programs can link-up with scholarship programs, with college readiness programs, you know, where you can leverage money for your match then, for savings matched, for other types of incentives.

One of the things we're talking with programs about a lot is, you know, might you be able to even use some other outside funds to have incentives for academic behavior that is not saving in your accounts but is linked to

persistence and to educational outcomes, things like attendance and, you know, completion of certain prerequisite courses.

And we're really encouraging institutions that administer things like scholarship programs to think about that variable and timing and how they might reconsider some of those resources as kind of (are we) commitment programs, same amount of money but how extending some of those resources to students earlier may multiply their effects in helping students think about themselves and their futures and the likelihood of college completion a little bit differently.

Thinking about how you can incorporate academic preparation and completion counseling into IDA programs if you're starting at it from that end and you have an asset-building program, how you can help students to increase their likelihood of college completion and be not inconsiderable financial payoff that comes with that by helping them to move towards completion as well.

And then how to use financial education to prepare students to be what we would consider kind of smart financial aid consumers. This means recognizing that, you know, loans can certainly be a valuable tool to facilitate assets but they can also be a real hindrance to graduates and college leavers later asset accumulation and financial stability.

And the difference is not just in the ghost, not just in how much do you borrow but for what purposes and on what terms and how do they prepare themselves for their repayment obligations.

So we are kind of taking steps into the financial aid and student lending arenas to try to inform some of that policy development with some of our asset research to think about how we can help students build positive balance sheets and increase their likelihood of positive educational attainment even in a debt accumulation context.

You know, and also even thinking about things like how to allow some education-related expenses during the precollege and during college periods. Again even if you have to use some non-AFI funds to do that, one of the things that - one of the ways in which - we believe.

And we believe that evidence shows that asset matters for college attainment is by giving students resources with which to purchase academic advantages, things like extracurricular activities, study abroad, technology, access to tutors the same way that more economically advantaged use assets to maneuver their environment and accumulate some of those advantages.

Assets could play the same role for low-income students as well. The last two slides I just have some resources and contact information for you, our biannual report on the state of the asset in education field was released this last summer, help building expectations, delivering results and the Website for that is there.

In addition to the report and an executive summary, there are several briefs and some multi-media content there including that infographic and some others. We also released a report late last fall on college debt, looking at some of Dr. Elliott's research about the effects of debt on post-college financial well-being.

And we have a new report coming out here in about a month and a half or so about how asset development may contribute to subsequent financial well-being including the power of additional income to build future assets.

This concept of the importance of initial asset levels which kind of bolsters our reason for believing that we need to look for opportunities to help students save. My contact information and contact information for the Assets in Education initiative is there.

As well on that site we have, you know, citations including certainly lengthy methodological explanations for all of the findings that I shared. I'd certainly be happy to answer questions about that as well. If time doesn't permit today, then certainly contact me and I'd be happy to share some of those additional resources.

And we're also always interested in talking with folks who are considering how to work within their own offerings and opportunities and constraints to deliver asset-building avenues for students, particularly those who face educational disadvantages today.

Emily Appel-Newby: Thank you so much Melinda. I always love hearing about your research because it makes me feel really inspired to keep doing the work that I do with AFI.

I love that you, you know, something I need to keep remembering to always talk about is the value of savings is not just for the dollars accumulated but for the other effects of the mindset, the college-going mindset that it creates.

And so that's just another way that matched savings programs can help in terms of outcomes around college retention and completion so we are very close to the end of the allotted time that we have here today so I just want to close with one word about the Assets For Independence program.

If what I explained to you about IDA sounded appealing and if what Melinda told you about the importance of savings towards college as a way to help increase retention and completion rates resonated with you and you think this would be something of interest to your college or university, this is how you can go about learning more information about the Assets For Independence funding opportunity and applying for funds in 2014.

We haven't yet released the funding opportunity announcement so I can't tell you any specific deadlines for funding but I believe they will be in March and May but I put up on the screen an e-mail address that you can send an e-mail to if you're interested in being notified when that funding opportunity announcement is released. It's info@idaresources.org.

I would also encourage you to setup a call with myself or one of the other technical assistance providers at the AFI Resource Center about what an IDA program at your college or university could look like.

And then I would think after you begin sharing this information about IDAs with your colleagues so that you can see what their take is on maybe starting an IDA program like what they have going on in Arizona or other places we have, you know, from as large as the public universities in Arizona to a small as a community college in upstate New York all running IDA programs.

So it's definitely not a one-size-fits-all, it's a tailored solution within the flexibility of the federal program that can be applied to many different students in many different situations and so here again is the contact information for the AFI Resource Center 1-866-778-6037.

And again my name is Emily Appel-Newby so if you send an e-mail or call that number and you want to ask for me Emily, that would be great but if you just have a general question about application and you can speak to anyone on the team, they can all answer your questions of course so with that (Wendy), can I turn it over to you to remind people how to ask the questions?

Coordinator: Thank you. At this time to ask a question, please press star 1 on your touch-tone phone. You will be prompted to record your name. To withdraw your request, you may press star 2. Once again that is star 1 for any questions or comments, please.

Emily Appel-Newby: And I guess while we're waiting for the questions to come in, we have one that came in over the Live Meeting software which is another way you can ask questions for sure. The question was from (Jeannine) and said can international students participate in this program?

Let me look into that. I mean, I know that I talked about the restrictions or lack thereof or what the restrictions looked like for students who had immigrated to the United States being primarily that they had a way to legally open an account at a financial institution.

So I will need to follow-up with you and look into more detail and maybe get a little more information from you about, you know, what kind of visa they're on and that kind of thing but upon first blush, I can't think of a reason why

they would not be able to participate because like I said, there's no citizenship requirement.

Coordinator: I'm currently showing no questions. Once again that is star 1 for any questions or comments, please. I'm showing no questions.

Emily Appel-Newby: Okay, well then we'll go ahead and wrap things up because we're a little bit over our time as it is so thank you all for joining us and if you think of any questions, either for myself or for Ms. Lewis later on today or, you know, as you're driving to work tomorrow morning, go ahead and reach out to us.

Again I will be sending out - we will be posting - these slides to our Website and I will be sending out an e-mail and so I will make sure that you have access to both of our contact information that way if you think of any questions and thank you so much for your attention today.

Coordinator: Thank you. This does conclude today's conference. Thank you very much for joining. You may disconnect at this time.

END